THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, April 11, 1947

SUMMARY

Cigarette production and withdrawals during the first two months of 1947 established new records for those months. Tax-paid withdrawals of cigars in January were the highest for that month since 1924 but dropped in February to a level below that of a year ago. Although tax-paid cigar withdrawals for January-February combined exceeded the same months a year ago by 3 percent, the average of the two months was 6 percent below the monthly average for the last half of 1946. Employment and income payments have continued high in recent months, but real consumer income has been declining. This and the relatively high price of cigars, probably account for the lower cigar withdrawals in February. Only a few cigar companies have lowered prices.

A decline in general business activity would have less effect on cigarette consumption than on cigars. Some smokers probably would shift to pipes and to cut tobacco for handrolled cigarettes and in general they would be more careful about their spending. Cigarette prices have not advanced as much above wartime levels as have prices of most other items. In addition, the reluctance of smokers to cut down the use of cigarettes will tend to keep consumption high. Also some increase has occurred as a result of the growth in population.

Smoking and chewing tobacco tax-paid withdrawals in the first two months of 1947 were only slightly below those of 1946. Earlier declines appear to have leveled off. Scrap chewing in recent months has increased compared with a year earlier and also in comparison with other chewing tobacco.

Exports of leaf in 1946 were well above 1945 both in quantity and value. Compared with 1934-38, the volume in 1946 was up 53 percent, the value up 150 percent. The United Kingdom took 56 percent of all exported leaf. Exports during 1947 are not expected to reach the 1946 total, but probably will be somewhat larger than in any other recent years.

Acreage of flue-cured will be up slightly according to the March 1 intentions report. With heavy use in cigarette manufacturing and large exports during the current marketing year will result in a carry-over on July 1, only slightly above last year. If yields should equal the 1942-46 average and the intended acreage is actually harvested, total supplies of this tobacco for 1947-48 will be slightly larger than in 1946-47. While record 1946-prices are not expected to be duplicated, prices will be more favorable than in any other previous year. Price supports will be higher than last year.

Burley acreage prospects are 11 percent smaller than 1946 harvested acreage. Supplies for 1947-48 may be slightly lower than for the current year but higher than any other previous year. If general economic activity declines in late 1947, burley prices for the 1947 crop may stay at or near support levels which probably will be higher than last year. Auctions for the Maryland 1946 crop will start April 22. The large crop is expected to bring favorable prices. January 1 stocks of Maryland were the lowest for any January 1 since 1933.

Intended acreage of the fire-cured class was up about 4 percent over last year's harvested acreage. Supplies for the 1947-48 marketing year will slightly exceed those for 1946-47 if preliminary estimates of carry-over on October 1 are correct and if yields are average and acreage intentions are

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carried out. The price support level probably will be above last year. According to farmers' intentions, acreage of dark air-cured tobacco will decrease slightly. Disappearance this marketing year will probably be lower than for last year. Supplies for 1947-48 probably will be slightly greater than for the current year. Market prospects do not appear favorable although price supports are likely to be higher.

Cigar tobacco acreage according to farms' intentions will be up slightly for filler, about the same for binder and about 7 percent higher for wrapper. Preliminary estimates indicate the total supply for 1947-48 compared to 1946-47 may be a little lower for cigar filler, a little higher for cigar binder and about the same for wrapper. If economic activity declines in late 1947 cigar tobacco prices probably will decrease. Most Pennsylvania tobacco prices ranged between 35 and 37 cents for better grades and much of Wisconsin binder quality tobacco, sold for between 50 and 60 cents.

Production and Consumption of Tobacco Products

Cigarettes

The production of cigarettes in January was about 32 billion, 18 percent above the 27 billion produced in January 1946. Domestic consumption as indicated by tax-paid withdrawals totaled close to 28½ billion and tax-free uses, mostly exports, accounted for 3½ billion. In February, domestic consumption was 26 billion or 8 percent above a year ago.

General consumer demand is now being sustained by full employment and high incomes, but, real incomes are declining. Cigarette consumption and production however, are expected to continue high, even if business activity falls off. There may be some shift to pipe smoking, but the general reluctance of cigarette smokers to reduce consumption, the addition of new smokers from the nation's expanding population and the relatively smaller price increase for cigarettes than for many other items will keep production and consumption of cigareetes at high levels.

Cigars

Cigar consumption (tax-paid withdrawals) in January was 8 percent above the same month in 1946 and the highest for that month since 1924. Indicated February tax-paid withdrawals (not including Puerto Rican) were down 13 percent from January and about 2 percent lower than February 1946.

During the past ten years, tax-paid withdrawals (excluding Puerto Rican) in February averaged only 1 percent below January. In five of the ten years, they were actually higher than in January. The drop this year probably resulted from the decline in real income of consumers, but it also may reflect increasing consumer resistance to the relatively high prices for cigars. About 62 percent of the 446 million cigars for which revenue stamps were purchased in February were in retail price brackets above 8 cents, compared with 38 percent in February 1946. Although cigar consumption during the first half of 1947 is expected to be above the same period last year, any decline in general economic activity may cause consumption to drop. A few cigar companies recently have reduced prices of certain brands moderately.

Smoking Tobacco

The output of smoking tobacco in the last quarter of 1946 was about 21 percent lower than the corresponding quarter of 1945. The annual production of

smoking tobacco in 1946 fell to slightly more than one-half of the 1937-41 average. Indicated consumption of manufactured tobacco (smoking and chewing) for January and February was only slightly below the same months of 1946. Some increases are expected in the consumption of smoking tobacco in the months ahead. The decline in purchasing power of some smokers because of high living costs will stimulate consumption of smoking tobacco. If unemployment increases and income declines some smokers may switch to pipes or hand-rolled cigarettes.

Chewing Tobacco

During 1946, the production of chewing tobacco declined below the 1945 level but was slightly above the 1937-41 average. Plug and twist declined the most--about 13 percent, while fine-cut and scrap declined 5 and 3 percent. In the last quarter of 1946, production of plug and twist was only about 7 percent lower than the same period of 1945 while fine-cut was the same in both periods. In contrast, scrap chewing production in the final quarter of 1946 was 12 percent above the fourth quarter of 1945. Scrap chewing will probably continue above the previous year, while use of other chewing tobacco is not expected to show much change.

Snuff

Use of snuff (indicated tax-paid withdrawals) in the first two months of 1947 was below the same months of any year since 1941. The consumption of snuff in February was about 2.9 million pounds or 9 percent below February 1946. The decline below January was quite sharp--over half a million pounds. While some upturn may occur in the next few months, consumption in the last half of 1947 may be lower than during the same period of 1946.

EXPORTS

Both the quantity and value of tobacco leaf exports (excluding stems, trimming and scrap) were high in 1946. About 643 million pounds (declared weight) were shipped, 37 percent more than in 1945 and 53 percent more than the 1934-38 average. The export value in 1946 was 351 million dollars, 47 percent above 1945 and close to 150 percent above the 1934-38 average. Flue-cured was the principal export leaf and comprised 85 percent of the total compared to 80 in 1945 and 77 percent in 1934-38. The United Kingdom continues to be the chief importer of flue-cured. (See cover chart.) In 1946 the United Kingdom took two-thirds of all flue-cured exported from this country.

Britain's recently announced budget for 1947-48 raised import duties on tobacco very sharply. This action is reportedly designed to curtail British consumption of tobacco and thereby require 30 million less dollars exchange for purchases of U.S. leaf this year. While this may mean exports of U.S. leaf in 1947 below 1946, British purchases are expected to be maintained somewhat above prewar years. The importance of tobacco consumption to British morale is considerable.

Burley exports of 35 million pounds in 1946 were higher than in any other year. Kentucky and Tennessee fire-cured dropped to almost half of 1945, while Virginia fire-cured was up about 17 percent. Total fire-cured exports in 1946 were about 38 million pounds (declared weight) compared to 65 in 1945 and an annual average of 58 from 1935 to 1939. Farm prices of fire-cured in the prewar period averaged around 10 cents a pound while the 1945 crop average was

31.5. Important foreign purchasers include France, Belgium, Switzerland, Netherlands, Sweden, and Norway. Green River and One Sucker exports were higher than in 1945 and Black Fat, Water Baler and Dark African increased more than 75 percent. Maryland exports more than doubled from 1945 to 1946 while cigar leaf was slightly lower. Some tobacco importing countries lack foreign exchange. Without financial aid or improved economic conditions their imports will be smaller unless prices fall below the level of recent years.

Flue-cured Types 11-14

Prospective Acreage Up Slightly Over 1946

On March 1, farmers' intentions were 1,204 thousand acres of flue-cured in 1947, nearly 2 percent more than the 1,185 thousand acres harvested in 1946. The acreage intentions as of March 1 for 1947 are 96 percent of the total acreage allotment under marketing quotas.

Table 1. - Flue-cured tobacco: Domestic supplies, disappearnace and season average price, average 1934-38, annual 1939-46 1/

Year	Production	Stocks July 1	Total supply	Disappearance year beginning July 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average 1934-38	741.0	844.9	1,585.9	704.5	22.9
1939	1,170.9	946.3	2,117.2	707.5	14.9
1940	759.9	1,409.7	2,169.6	576.7	16.4
1941	649.6	1,592.9	2,242.5	783.0	28.1
1942	811.7	1,459.5	2,271.2	892.4	38.4
1943	790.2	1,378.8	2,169.0	980.2	40.2
1944	1,089.7	1,188.8	2,278.5	1,152.2	42.4
1945 2/	1,173.5	1,126.3	2,299.8	1,152.4	43.7
1946 2/	1,322.2	1,147.4	2,469.6		

1/ Farm-sales weight.
2/ Preliminary.

The 1942-46 average yield per acre was 1,048 pounds. If the 1947 yield equals this average and farmers' acreage intentions are carried out, production would total about 1,262 million pounds. This would be nearly 6 percent below the 1946 net producer sales of 1,341 million pounds. Record yields per acre were realized in 1946.

Domestic Consumption and Exports at High Level

Owing to cigarette output, the domestic consumption of flue-cured tobacco is at a record high. For the year ending June 30, domestic use will probably account for around 700 million pounds compared to 666 million pounds in the preceding year. Total exports during July-June 1946-47, may be as high as 535 to 550 million pounds (farm-sales weight), 10 to 13 percent above 1945-46. Total disappearance of 1,250 million pounds in the current marketing year would result in carry-over on July 1, 1947 of around 1,238 million pounds, about 8 percent larger than stocks on July 1, 1946. If production is about 1,262 million pounds (1942-46 average yields

on indicated acreage) the total supply of flue-cured leaf for the 1947-48 marketing year would be 2,500 million pounds. This would be slightly higher than the total supply of 2,438 million pounds for 1946-47.

Demand for the 1947 crop is expected to be strong. The high level of cigarette production and consumption probably will continue. While exports in the 1947-48 marketing year may be somewhat lower than in the current year, they are almost certain to exceed the prewar average. The record prices received in several major flue-cured producing areas in 1946 are not expected to be duplicated in 1947 but prices probably will be more favorable than in any other previous year. The average price for the 1946 crop was around 48.5 cents.

Rates for support loans are based on 90 percent of the parity price at the beginning of the marketing season (July 1 for flue-cured). The base on which loan rates for the 1946 crop were figured was 32.1 cents per pound. Since parity prices at the beginning of the 1947-48 marketing year will be higher than in 1946, the loan rate also will be higher.

Burley Type 31

Acreage Reduced

The 1947 indicated acreage of burley on March 1 was 424 thousand acres, 11 percent below the 1946 harvested acreage. Kentucky, the principal burley growing state, showed a 14 percent decline from last year. The 1947 national marketing quota called for about 15 percent smaller production than in 1946. If the 1947 yield approximates the 1942-46 average of 1,098 pounds per acre, production on the 1947 acreage would total about 466 million pounds. If yields equal the 1,175 pounds per acre average of the last three years, production on the 1947 acreage would be 498 million pounds. Production within the 466-498 million pound range would be 19 to 24 percent below the estimated net producers sales of 613 million pounds of the 1946 crop.

Burley Supplies High

Preliminary net sales indicate the total supply of burley for the 1946-47 marketing year was 1,466 million pounds--a record. Stocks of burley owned by dealers and manufacturers on January 1, 1947 totaled 921 million pounds (farm-sales weight), a record for this date. This was about 7 percent above January 1946 and 15 percent above the 1942-46 average. Tentative estimates indicate total disappearance during the 1946-47 marketing year of about 500 million pounds compared with 483 million pounds during the previous year. Cigarette manufacture is expected to be larger but smoking and chewing tobacco production may be somewhat smaller in the current marketing year than a year eralier. Exports may exceed last year. If total disappearance is 500 million pounds, the carry-over on October 1, 1947 would be around 966 million pounds, more than 100 million above the former record of 853 million pounds on October 1, 1946. Assuming that production in 1947 will be 466 million pounds (1942-46 average yields on indicated acreage) total supplies for the 1947-48 marketing year will be near 1432 million pounds. Although this would be slightly less than for 1946-47 it would be above any other year.

The demand for burley tobacco for use in cigarette manufacture will probably be moderately strong. If general economic activity falls off, burley prices probably will be at support levels for many grades. At present it appears that the price support level based on 90 percent of parity will be higher than last year for burley. The base from which burley loan rates for the 1946 crop were figured was 33.6 cents per pound.

Table 2. - Burley tobacco: Domestic supplies, disappearance and season average price, average 1934-38, annual 1939-46 1/

Year	Production	Stocks Oct. 1	Total supply	Disappearance year beginning Oct. 1	Average price per pound
	Million pounds	Million Pounds	Million pounds	Million pounds	Cents
Average 1934-38	287.2	700.9	988.1	314.5	22.2
1939	395.4	684.1	1,079.5	317.2	17.3
1940	375.3	762.3	1,137.6	339.5	16.2
1941	336.8	798.1	1,134.9	379.6	29.2
1942	343.5	755.3	1,098.8	412.8	41.8
1943	391.4	686.0	1,077.4	426.2	45.6
1944	591.5	651.2	1,242.7	483.7	44.0
1945 2/	576.9	759.0	1,335.9	482.6	39.4
1946 2/	580.5	853.3	1,433.8		

1/ Farm-sales weight.
2/ Preliminary.

1946 Burley Crop Auctions Concluded

Regular auctions for the 1946 burley crop ended March 31. Gross sales (which includes resales) totaled 635.5 million pounds at an average of 39.7 cents per pound. This is slightly above the average of 39.5 for last season but below each of the years 1942 to 1944. Although prices during the early part of the marketing season were lower than in the preceding year, those during the remainder of the season were above last season. Nearly 150 million pounds or 23 percent of sales were delivered to Associations for Government loans.

Maryland Type 32

Maryland Market Prospects

Auction sales of the 1946 Maryland crop will begin April 22. The crop is the largest on record and is estimated to be 40.5 million pounds. This contrasts with the very small crop in 1945 of 18.4 million pounds but is only 6 percent greater than the 1944 crop of 38.2 The carry-over of 32.4 million pounds of Maryland on January 1, 1947 was down sharply from last year and was the lowest for any January since 1933. The total supply for 1947 is 72.9 million pounds compared to 64.9 million pounds a year ago. Total disappearance during 1946 was 32.5 million pounds. Both domestic consumption and exports were above the prewar average. Domestic consumption was at about the same rate as during each of the last 2 years but exports were more than twice those of 1945 and totaled about 6.7 million pounds (farm-sales weight). In view of the high cigarette manufacture and exports, prices are again expected to be favorable to growers. The quality of the 1946 crop is reported to be high.

1947 Intended Acreage Same as 1946

The March 1 intentions of Maryland growers were for about 45,000 acres of tobacco in 1947, the same as last years harvested acreage. The 1942-46 average yield was low because of unusually low yields in 1943 and 1945. Assuming that

the 1947 yield approximates that of the 1937-46 average, production on the intended acreage would be about 34 million pounds or 16 percent below 1946 production.

Table 3. - Maryland tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-41 1/

Year	Production	Stocks January 1 of following year	Total supply	Disappearance yr. beginning Jan. 1 of the following yr.	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Average 1934-38	27.5	38.4	65.9	27.5	19.7
1939	32.8	36.3	69.1	25.9	21.1
1940	32.6	43.2	75.8	30.8	33.0
1941	31.2	45.0	76.2	28.5	30.1
1942	28.1	47.7	75.8	32.0	56.5
1943	20.8	43.8	64.6	27.0	45.3
1944	38.2	37.6	75.8	29.3	55.5
1945 2/	18.4	46.5	64.9	32.5	57.0
1946 2/	40.5	32.4	72.9		

1/ Farm-sales weight.
2/ Preliminary.

Fire-cured Types 21-24

1947 Acreage Intentions Up Slightly

Farmers reported March 1 an intended fire-cured tobacco acreage of 92,400, about 4 percent more than last years harvested acreage. The reported increase of type 23, Western District fire-cured, in Kentucky was 11 percent. Virginia fire-cured, type 21 was up 7 percent. Tennessee acreages of types 22 and 23 were the same as last year. If the intended acreage is actually harvested and yields equal the 1942-46 average, total production will amount to about 92 million pounds compared to 96 million pounds in 1946.

Supply Higher than Last Year

The total supply of fire-cured tobacco for the current year is 201 million pounds, about 11 million pounds above a year earlier. The preliminary estimate for disappearance during the current year is around 90 million pounds about the same as last year. Exports of Kentucky-Tennessee fire-cured from October through February were about 24 percent lower while Virginia fire-cured exports were 68 percent higher than in the same period last year. If disappearnace is 90 million pounds carry-over on October 1, 1947 would be about 111 million pounds compared to 105 on October 1, 1946. Supplies for the 1947-48 marketing year, assuming 1947 production of 92 million pounds (1942-46 average yields on indicated acreage) will total 203 million pounds or about the same as for the current year. The price support level for fire-cured which is 75 percent of that for burley will probably be higher than for the current year. The average from which loan rates for the 1946 crop were derived was 25.2 cents.

Table 4.-Dark tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-46 1/

Year	Production	Stocks October 1	Total supply	Disappearance: year beginning Oct. 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Fire-cured					
Total types 21-24					
Average					
1934-38	110.2	194.2	304.4	123.0	10.2
1939	99.3	136.2	235.5	93.9	10.6
1940	107.6	141.6	249.2	65.3	9.5
1941	69.7	183.9	253.6	69.0	14.1
1942	71.5	184.6	256.1	76.3	17.1
1943	64.8	179.8	244.6	71.1	23.4
1944	65.1	173.5	238.6	106.8	24.5
1945 2/	58.3	131.8	190.1	85.2	31.5
1946 2/	96.3	104.9	201.2		
Dark air-cured					
Total types 35-37					
Average					
1934-38	35.5	62.8	98.3	39.0	9.4
1939	44.2	56.1	100.3	34.7	7.3
1940	42.5	65.6	108.1	33.6	7.7
1941	31.5	74.5	106.0	42.0	12.0
1942	35.2	64.0	99.2	33.9	15.2
1943	30.0	65.3	95.3	37.6	27.2
1944	44.5	57.7	102.2	41.8	23.3
1945 2/	43.6	60.4	104.0	43.5	25.2
1946 2/	46.9	60.5	107.4		

1/ Farm-sales weight. 2/ Preliminary.

Auction Prices Lower than Last Year

Auction sales for Kentucky and Tennessee fire-cured types 22 and 23 are still in progress. Virginia fire-cured type 21 for which auctions ended March 27 sold at higher prices than last season during December and part of January. Weekly average prices then fell below those of a year earlier. The season average for auction sales of the 1946 crop was 29.3 cents per pound compared to 32.3 last season. Prices of Kentucky-Tennessee fire-cured, Eastern District type 22, and Western District fire-cured, type 23 fell below last season. For the season through April 2 type 22 averaged 26.9 cents per pound and type 23 averaged 22.3 cents per pound, 18 and 24 percent below comparable prices for last season. Total auction sales through April 2, of all fire-cured amounted to over 90 million pounds at an average of 26.2 cents per pound.

Through this same period about 30 million pounds were delivered to Associations for government loans. The proportion of type 23 placed under loan was particularly large probably because export purchasing was slack.

Dark Air-Cured-Types 35-37

1947 Intended Acreage Down Slightly

Farmers on March 1 reported an intended acreage of 38,900 of the dark air-cured types, about 3 percent less than the 39,900 acres harvested in 1946. The largest relative decrease was in the Virginia sun-cured, type 37, which dropped from 7510 to 3000 acres. The intended acreage of Green River, type 36, was the same as the acreage harvested last year while one Sucker, type 35 showed a 2 percent decrease. Allotments for 1947 are 10 percent below 1946.

If the 1942-46 average yield of 1055 pounds per acre is approximated in 1947, total production on the intended acreage will be 41 million pounds or about 13 percent less than 1946 production.

Smaller Disappearance Expected

Total supply of the dark air-cured types for 1946 47 was 107 million pounds. A preliminary estimate of total disappearance during the current year is around 40 million pounds or about 8 percent lower than in 1945-46. Both domestic consumption and exports are expected to be lower. From October through February of the current marketing year, exports of One Sucker were far below the same period a year ago. Green River and Black Fat, Dark African and Water Baler also were being shipped at rates lower than last year. Consumption of chewing and smoking tobacco from October to February was about 8 percent lower than the corresponding period of the preceding year.

Stocks on October 1 of the dark air-cured types will probably be around 67 million pounds. Assuming that 1947 production approximates 41 million pounds (1942-46 average yield on intended acreage), total supply for the 1947-48 marketing year would be about 108 million pounds. This would be about the same as for the current year and the highest since 1940-41. The price support level which is 66-2/3 percent of that for burley is expected to be higher than last year. The figure on which 1946 loan rates were based was 23.4 cents per pound.

1946 Crop Prices Lower than 1945

Gross sales of the 1946 crop of One Sucker, type 35, at auctions averaged 22.3 cents per pound compared to 24.9 last season. Green River, type 36, averaged 22.6 cents per pound compared to 24.7 last season. Deliveries to Associations for Government loans were about 37 and 30 percent respectively of the seasona sales for these two types. Virginia sun-cured, type 37 averaged 24.3 cents per pound - 9.3 cents lower than for last season. For all dark air-cured types combined auction prices averaged 11 percent below last year.

CIGAR TOBACCO

1947 Acreage Prospects for Binder Same; Small Increases for Filler and Wrapper

According to the March intentions report, the prospective acreage of total binder was 46,700, the same as last year's harvested acreage. Small increases of type 53, New York Havana Seed and type 55, Northern Wisconsin offset small decreases of type 51 Connecticut Broadleaf and type 54, Southern Wisconsin. Intended acreages of Pennsylvania filler are up 1 percent and the Ohio filler is up 5 percent. The greatest relative increases in cigar tobacco was in type 61 Connecticut Valley Shadegrown, 8 percent, and in type 62, Georgia-Florida Shadegrown, 5 percent.

Assuming that the 1947 yield is the same as the 1942-46 average for each of the three classes of cigar tobacco, production on the prospective acreage would be about 58.7 million pounds of filler, 72.3 million pounds of binder and 13.6 million pounds of wrapper. Compared with 1946, production of filler would be about 9 percent lower, binder nearly the same, and wrapper close to 9 percent higher.

Table 5.- Cigar tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-46 1/

Type and Year	Production	Stocks October 1 2/	Total supply	Disappearance: year beginning October 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Total filler types 41-44					
Average 1934-38	48.2	159.8	207.0	53.8	10.5
1941	71.4	157.0	228.4	61.7	12.4
1942	53.6	166.7	220.3	66.7	13.2
1943	47.4	153.6	201.0	55.6	18.6
1944	59.3	145.4	204.7	61.8	19.5
1945 3/	50.0	142.9	192.9	64.2	34.0
1946 3/	64.4	128.7	193.1		
Pennsylvania seedleaf, type 41					
Average 1934-38	33.2	100.4	133.6	34.5	11.4
1941	57.7	114.3	172.0	49.1	13.2
1942	41.6	122.9	164.5	54.0	13.7
1943	39.6	109.6	149.2	42.4	18.6
1944	52.4	106.8	159.2	50.5	19.7
1945 3/	45.3	108.7	154.5	53.3	34.0
1946 3/	58.2	101.2	159.4		
Miami Valley, types 42-44					
Average 1934-38	15.0	58.4	73.4	19.3	8.5
1941	13.7	42.7	56.4	12.6	9.3
1942	12.0	43.8	55.8	11.8	11.5
1943	7.8	44.0	51.8	13.2	13.3
1944	6.9	38.6	45.5	11.3	18.3
1945 3/	4.2	34.2	38.4	10.9	34.0
1946 3/	6.2	27.5	33.7		
Total binder, types 51-56					
Average 1934-38	41.8	165.1	206.9	60.5	12.4
1941	61.6	136.7	198.3	60.5	16.0
1942	55.7	137.8	193.5	66.9	20.3
1943	51.4	126.6	178.0	63.5	30.3
1944	57.0	108.5	165.5	63.3	30.9
1945 3/	62.0	102.2	164.2	60.6	47.8
1946 3/	71.8	103.6	175.4		
Connecticut Valley Broadleaf, type 51					
Average 1934-38	11.1	35.5	46.6	13.5	17.4
1941	12.8	23.3	36.1	10.0	22.0
1942	10.4	26.1	36.5	14.2	26.0
1943	11.0	22.3	33.3	12.5	40.0
1944	13.0	20.8	33.8	10.3	39.0
1945 3/	13.3	23.5	36.8	12.5	60.0
1946 3/	14.3	24.3	38.6		

Continued

Table 5.- Cigar tobacco: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-46 1/ -Cont'd.

Type and Year	Production	Stocks October 1 2/	Total supply	Disappearance year beginning October 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Havana seed, type 52					
Average 1934-38	8.1	28.8	36.9	11.1	16.5
1941	13.4	25.5	38.9	9.3	24.0
1942	12.7	29.6	42.3	13.3	26.4
1943	11.0	29.0	40.0	17.1	37.7
1944	11.8	22.9	34.7	15.9	37.3
1945 3/	10.2	18.8	29.0	13.0	56.3
1946 3/	13.1	16.0	29.1		
New York & Pa. Havana seed, type 53					
Average 1934-38	1.0	2.3	3.3	1.1	10.4
1941	2.2	3.1	5.3	2.4	12.9
1942	1.9	2.9	4.8	3.0	13.8
1943	1.4	1.8	3.2	1.1	19.7
1944	1.6	2.1	3.7	.5	22.0
1945 3/	1.4	3.2	4.6	2.6	35.8
1946 3/	1.7	2.0	3.7		
Southern Wisconsin, Type 54					
Average 1934-38	12.3	62.5	74.8	21.6	7.8
1941	15.4	39.4	54.8	19.2	9.6
1942	13.8	35.6	49.4	13.3	16.2
1943	13.4	36.1	49.5	17.3	22.5
1944	14.7	32.2	46.9	19.4	24.0
1945 3/	18.6	27.5	46.1	13.4	37.7
1946 3/	20.4	32.7	53.1		
Northern Wisconsin, type 55					
Average 1934-38	9.1	36.0	45.1	12.9	9.7
1941	16.9	43.7	60.6	18.6	14.6
1942	16.1	42.0	58.1	21.8	16.4
1943	14.4	36.3	50.7	20.8	25.5
1944	15.8	29.9	45.7	16.8	26.8
1945 3/	18.3	28.9	47.2	18.8	45.6
1946 3/	21.9	28.4	50.3		
Ga. & Fla. sun-grown type 56					
Average 1934-38 4/	.4		.4	.4	13.3
1941	.9	1.7	2.6	1.0	14.5
1942	.8	1.6	2.4	1.3	17.4
1943	.2	1.1	1.3	.7	22.0
1944	.1	.6	.7	.4	27.0
1945 3/	.2	.3	.5	.3	33.0
1946 3/	.2	.2	.4		

Continued -

Sales of Pennsylvania and Wisconsin tobacco became heavy in mid-February. Prices for better grades ranged between 35 and 37 cents in Pennsylvania and 50 and 60 cents in Wisconsin. Market activity slackened after two-thirds of the Wisconsin crop was sold. Recent reports indicate practically no buying.

Table 5.- Cigar tobacco: Domestic supplies, disappearance, and season average, price; average 1934-38, annual 1939-46 1/ Continued

Type and Year	Production	Stocks July 1	Total supply	Disappearance beginning October	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Total wrapper, types 61-62					
Average 1934-38	8.4	10.7	19.1	8.9	78.3
1941	10.1	12.7	22.8	9.6	98.4
1942	9.2	13.2	22.4	9.3	132.1
1943	10.0	13.1	23.1	8.8	168.0
1944	11.2	14.3	25.5	10.9	196.0
1945 2/	11.2	14.6	25.8	12.2	197.0
1946 2/	12.6	13.6	26.2		
Connecticut Valley shade-grown, type 61					
Average 1934-38	5.9	7.8	13.7	6.3	82.8
1941	6.4	8.9	15.3	6.8	113.0
1942	5.6	8.5	14.1	5.7	150.0
1943	6.3	8.4	14.7	5.9	185.0
1944	7.7	8.8	16.5	6.4	220.0
1945 2/	7.6	10.1	17.7	7.6	220.0
1946 2/	8.9	10.1	19.0		
Georgia-Florida shade-grown, type 62					
Average 1934-38	2.5	2.9	5.4	2.6	67.8
1941	3.7	3.8	7.5	2.8	73.0
1942	3.6	4.7	8.3	3.6	104.0
1943	3.7	4.7	8.4	2.9	138.0
1944	3.5	5.5	9.0	4.5	144.0
1945 2/	3.6	4.5	8.1	4.6	150.0
1946 2/	3.7	3.5	7.2		

1/ Farm-sales weight. 2/ Preliminary.

1946-47 Disappearance May Exceed last Year

Cigar consumption from October through February is estimated at close to 13 percent above the same period in the preceding year. Scrap-chewing manufacture in the last quarter of 1946 was nearly 12 percent above the corresponding period in 1945 Prices to growers and the present rate of consumption of products using cigar tobacco may ease if there should be any decline in economic activity. It seems likely however that total disappearance of domestic cigar tobacco this marketing year will exceed that of last year although exports may be smaller.

The total supply of filler for the 1947-48 marketing year will probably be a little lower than 1946-47. If yields are average total binder supplies will be larger. Smaller supplies of Connecticut binder will be offset by larger supplies of the Wisconsin binder types. Domestic wrapper supplies for 1947-48 probably will not be greatly different than for 1946-47. Stocks of Sumatra and Java, type 82 on January 1 were just over 1 million pounds (unstemmed equivalent)----less than 50 percent of a year earlier.

Table 6.-Tax-paid withdrawals of tobacco products in the United States, calendar years 1945, 1946, and January-February 1946 and 1947 1/

Products	Calendar year			January-February		
	1945	1946	Change	1946	1947	Change
	Millions	Millions	Percent	Millions	Millions	Percent
Small cigarettes	267,622	321,474	+20.1	48,862	54,789	+12.1
Large cigarettes	82	1	-98.8	2/	2/	-59.9
Large cigars	5,014	5,914	+17.9	935	959	+ 2.6
Small cigars	98	93	- 5.1	17	15	-11.8
Snuff 3/	43.6	39.7	- 9.1	6.9	6.3	- 8.7
Manufactured tobacco 3/	270.2	211.1	-21.9	31.7	31.2	- 1.6

1/ Based on sales of revenue stamps, and includes products from Puerto Rico, except Feb. 1947.
2/ 209,442 in 1946 and 84,050 in 1947.
3/ Million pounds.

Table 7.-Production of manufactured tobacco in the United States, 1937-41 average and annual 1942-46

Calendar year	Chewing					Smoking	Snuff
	Plug	Twist	Fine cut	Scrap	Total		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil.lb.
1937-41 av.	52.6	5.9	4.7	43.4	106.6	196.7	38.0
1942	54.3	6.0	5.1	48.3	113.7	175.7	41.0
1943	58.9	6.3	4.5	51.4	121.1	162.8	43.2
1944	61.7	6.5	4.1	52.9	125.2	139.9	42.0
1945	59.7	6.7	4.0	47.8	118.1	168.5	43.8
1946	51.8	5.8	3.8	46.2	107.6	105.9	39.4
Oct. - Dec. 1945	13.4	1.5	1.0	9.7	25.6	38.4	10.4
Oct. - Dec. 1946	12.4	1.4	1.0	11.8	26.6	30.4	10.3
	Percentage change						
1945-46	-13.2	-13.4	-5.0	-3.1	-8.9	-37.2	-10.0
Oct. - Dec. 1945-46	- 7.5	- 6.7	0	+12.2	+3.9	-20.8	-1.0

Higher U. S. Stocks of Puerto Rican, Cuban and Philippine Tobacco

Stocks of Puerto Rican filler, type 46, in the United States on January 1, 1947 were considerably larger than a year ago. On the other hand stocks in Puerto Rico were lower. Continental and island stocks totaled 70.5 million pounds (farm-sales weight) compared to 68.1 a year earlier. Nearly 68 percent was held in the United States compared to 57 percent on the same date last year.

Stocks of Havana, type 81, on January 1 totaled 34.8 million pounds (unstemmed equivalent) or 21 percent above January 1, 1946. During January 1947 imports of Cuban tobacco including scraps, stems and trimmings totaled about 25 million pounds or 23 percent above the same month in 1946.

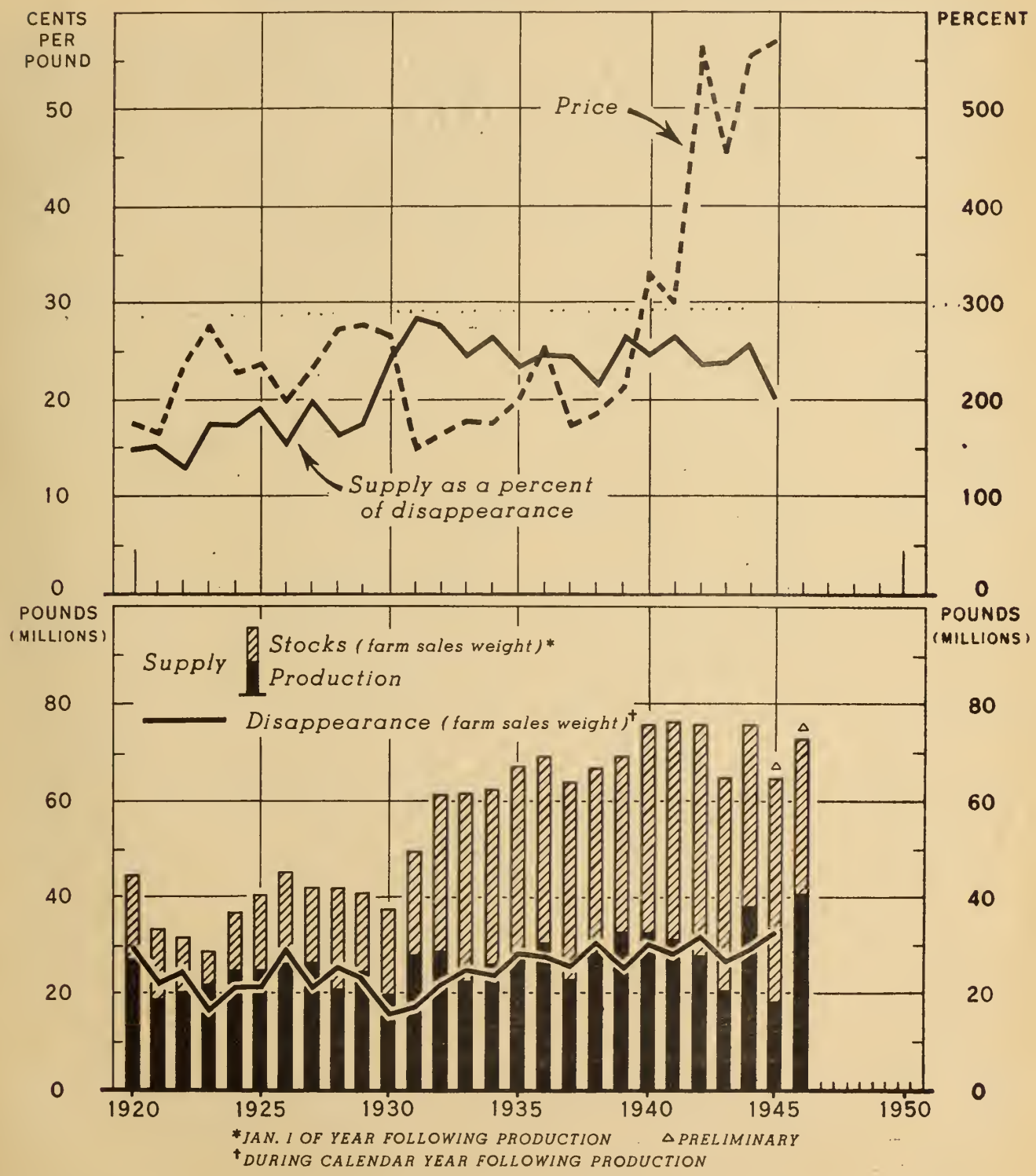
Table 8.-Internal Revenue Collections from Tobacco 1930-46

Cal. year	Cigars (large)	Cigarettes (small)	Chewing & Smoking	Snuff	Total 1/
	Million dollars				
1930	19.1	358.9	59.0	7.4	446.2
1931	16.1	340.4	59.0	7.1	424.5
1932	12.4	310.5	56.2	6.6	387.3
1933	11.2	335.5	54.9	6.5	409.3
1934	11.8	376.8	55.3	6.7	452.4
1935	11.9	403.8	54.8	6.5	478.4
1936	12.8	459.5	55.7	6.9	536.1
1937	13.2	487.9	54.2	6.6	563.2
1938	12.6	491.3	55.1	6.7	567.1
1939	12.9	517.4	54.5	6.8	593.2
1940	13.0	564.8	54.8	6.8	645.5
1941	14.0	670.9	53.8	7.1	747.7
1942	16.8	776.5	50.5	7.4	858.6
1943	27.6	902.1	47.4	7.8	989.5
1944	33.5	837.4	45.3	7.6	925.4
1945	38.1	936.5	48.6	7.9	1,034.2
1946	47.4	1,125.2	38.0	7.1	1,218.4
	Percent of total				
1930	4.3	80.4	13.2	1.7	100.0
1931	3.8	80.2	13.9	1.7	100.0
1932	3.2	80.2	14.5	1.7	100.0
1933	2.7	82.0	13.4	1.6	100.0
1934	2.6	83.3	12.2	1.5	100.0
1935	2.5	84.4	11.5	1.4	100.0
1936	2.4	85.7	10.4	1.3	100.0
1937	2.3	86.6	9.6	1.2	100.0
1938	2.2	86.6	9.7	1.2	100.0
1939	2.2	87.2	9.2	1.1	100.0
1940	2.0	87.5	8.5	1.1	100.0
1941	1.9	89.7	7.2	.9	100.0
1942	2.0	90.4	5.9	.9	100.0
1943	2.8	91.2	4.8	.8	100.0
1944	3.6	90.5	4.9	.8	100.0
1945	3.6	90.6	4.7	.8	100.0
1946	3.9	92.4	3.1	.6	100.0

1/ Total includes small cigars, large cigarettes, cigarette papers and tubes, and leaf dealer penalties not shown in this table.

Stocks of Philippine tobacco on January 1 were 486 thousand pounds (unstemmed equivalent) compared to 31 thousand a year earlier. The present stocks are far below prewar. January imports of tobacco scraps, stems and trimmings from the Philippines were 153 thousand pounds while none came in during January 1946.

MARYLAND TOBACCO: PRICE RECEIVED BY FARMERS RELATED TO SUPPLY AND DISAPPEARANCE, UNITED STATES, BY YEARS, 1920-46



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Prices of Maryland tobacco in the last quarter century have been affected by the relationship between supply and annual disappearance as well as the general level of economic activity. In recent years the predominant use of Maryland tobacco has been for cigarettes. The high level of cigarette production points to a generally favorable outlook for this type. Exports for 1946 were above the pre-war average and accounted for 20% of the disappearance.

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Table 9.--Tobacco: Acreage, by Classes and Types, specified averages, and annual 1937-47

Period	Flue-cured 11-14	Fire-cured 21-24	Burley 31	Maryland 32	Dark air-cured 35-37	Cigar Filler 41-45 1/	Cigar Binder 51-56 1/	Cigar Wrapper 61-62	U.S. Total 2/ All types
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1922-26 av.	771	286	351	29	119	75	68	10	1,710
1927-31 av.	1,058	205	393	34	69	67	65	11	1,902
1932-36 av.	791	150	359	37	41	43	29	7	1,460
1937-41 av.	926	113	395	38	44	46	41	10	1,614
1937	990	144	444	35	53	40	36	10	1,753
1938	909	111	407	38	40	42	43	10	1,601
1939	1,270	114	425	40	49	49	41	11	2,000
1940	741	120	368	38	47	50	44	10	1,411
1941	718	74	341	40	33	48	41	11	1,306
1942-46 av.	983	71	448	40	38	41	38	11	1,669
1942	793	73	350	38	34	43	36	10	1,377
1943	843	69	399	35	31	38	33	10	1,458
1944	1,014	64	501	45	40	40	36	10	1,752
1945 3/	1,079	61	511	36	44	39	40	11	1,821
1946 3/	1,185	89	477	45	40	43	47	12	1,938
1947 4/	1,204	92	424	45	39	44	47	13	1,908
	Percentage Change								
1942-46 to 1947:	+22.5	+29.6	-5.0	+12.5	+2.6	+7.3	+23.7	+18.2	+14.4
1946 to 1947	+1.6	+3.4	-11.1	-0-	-2.5	+2.3	-0-	+8.3	-1.5

1/ From 1936 to 1939 type 45 (filler) supplanted by type 56 (binder.) 2/ Types may not add to U. S total of all types which includes miscellaneous types, or because of rounding. 3/ Preliminary. 4/ Indicated March 1.